

EXHIBIT 3



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Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc.	25 104,000			
26	Other salaries and wages	26			
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29 7,387			
30	Professional fundraising fees	30			
31	Accounting fees	31			
32	Legal fees	32			
33	Supplies	33 1,171			
34	Telephone	34 5,464			
35	Postage and shipping	35 1,508			
36	Occupancy	36 2,400			
37	Equipment rental and maintenance	37			
38	Printing and publications	38 8,547			
39	Travel	39 4,922			
40	Conferences, conventions, and meetings	40			
41	Interest	41			
42	Depreciation, depletion, etc. (attach schedule)	42 727			
43	Other expenses not covered above (itemize):				
a	Subscriptions	43a 6,739			
b	Dues	43b 17,000			
c	Outside Services	43c 2,900			
d	Bank Fees	43d 43			
e	Miscellaneous	43e 721			
f	Payroll Service	43f 1,065			
g		43g			
44	Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44 164,594			

Joint Costs. Check ☐ if you are following SOP 98-2.Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☐ No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____, (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ <u>Promote Surety Bail</u>	Program Service Expenses (Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts; but optional for others.)
<p>a <u>Provide meetings, seminars, communications, publications and other programs to promote its exempt status and purpose</u></p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>b</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>c</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>d</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>e Other program services (attach schedule)</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶</p>	

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only		(A) Beginning of year		(B) End of year
Assets	45 Cash—non-interest-bearing	21,291	45	22,431
	46 Savings and temporary cash investments		46	
	47a Accounts receivable	47a		47c
	b Less allowance for doubtful accounts	47b		
	48a Pledges receivable	48a		48c
	b Less allowance for doubtful accounts	48b		
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes and loans receivable (attach schedule)	51a		51c
	b Less allowance for doubtful accounts	51b		
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments—securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
	55a Investments—land, buildings, and equipment basis	55a	2,906	
	b Less: accumulated depreciation (attach schedule)	55b	2,906	727
56 Investments—other (attach schedule)			56	
57a Land, buildings, and equipment: basis	57a		57c	
b Less: accumulated depreciation (attach schedule)	57b			
58 Other assets (describe <input type="checkbox"/> Travel advance)		500	58	500
59 Total assets (must equal line 74) Add lines 45 through 58.		22,518	59	22,931
Liabilities	60 Accounts payable and accrued expenses		60	
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe <input type="checkbox"/>)			65
66 Total liabilities. Add lines 60 through 65			66	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74		67	
	67 Unrestricted		67	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.		70	
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		22,518	72
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)		22,518	73	22,931
74 Total liabilities and net assets/fund balances. Add lines 66 and 73		22,518	74	22,931

a	Total revenue, gains, and other support per audited financial statements	a	N/A
b	Amounts included on line a but not on Part I, line 12:		
1	Net unrealized gains on investments	b1	
2	Donated services and use of facilities	b2	
3	Recoveries of prior year grants	b3	
4	Other (specify):	b4	
	Add lines b1 through b4	b	
c	Subtract line b from line a	c	
d	Amounts included on Part I, line 12, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify):	d2	
	Add lines d1 and d2	d	
e	Total revenue (Part I, line 12). Add lines c and d	e	

a	Total expenses and losses per audited financial statements		a	N/A
b	Amounts included on line a but not on Part I, line 17:			
1	Donated services and use of facilities	b1		
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify):	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	
d	Amounts included on Part I, line 17, but not on line a :			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2		d	
e	Total expenses (Part I, line 17). Add lines c and d		e	

[illegible]

Part V-A **Current Officers, Directors, Trustees, and Key Employees** *(continued)*

Yes	No
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75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 5

b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s).

c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to this organization through common supervision or common control? **Note.** Related organizations include section 509(a)(3) supporting organizations.

If "Yes," attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization.

d Does the organization have a written conflict of interest policy?

Part V-B **Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits** (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

[illegible]**Part VI** Other Information (See the instructions.)

Yes	No
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76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity _____

77 Were any changes made in the organizing or governing documents but not reported to the IRS? .

If "Yes," attach a conformed copy of the changes

78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?

b If "Yes," has it filed a tax return on **Form 990-T** for this year?

79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement

80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?

b If "Yes," enter the name of the organization ►

and check whether it is ☐ exempt **or** ☐ nonexempt

81a Enter direct and indirect political expenditures (See line 81 instructions)

b Did the organization file **Form 1120-POL** for this year?

Part VI Other Information (continued)

	Yes	No
82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		x
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
83a Did the organization comply with the public inspection requirements for returns and exemption applications?	x	
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		
84a Did the organization solicit any contributions or gifts that were not tax deductible?		x
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		x
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	x	
If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year		
c Dues, assessments, and similar amounts from members		
d Section 162(e) lobbying and political expenditures		
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
f Taxable amount of lobbying and political expenditures (line 85d less 85e)		
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
86 501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12		
b Gross receipts, included on line 12, for public use of club facilities		
87 501(c)(12) orgs. Enter: a Gross income from members or shareholders		
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		x
89a 501(c)(3) organizations. Enter. Amount of tax imposed on the organization during the year under: section 4911 ▶ section 4912 ▶ section 4955 ▶		
b 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		
c Enter. Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
d Enter. Amount of tax on line 89c, above, reimbursed by the organization		
90a List the states with which a copy of this return is filed		
b Number of employees employed in the pay period that includes March 12, 2005 (See instructions)		
91a The books are in care of ▶ Treasurer . Telephone no ▶ (.814)336-2521 Located at ▶ 485 Chestnut St., Meadville, PA 16335 . ZIP + 4 ▶		
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		x
If "Yes," enter the name of the foreign country ▶		
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
c At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country ▶		x
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 —Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶		

Part VII Analysis of Income-Producing Activities (See the instructions.)**Note:** Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					164,928
95 Interest on savings and temporary cash investments			14	79	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				79	164,928
105 Total (add line 104, columns (B), (D), and (E))					165,007

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See the instructions.)

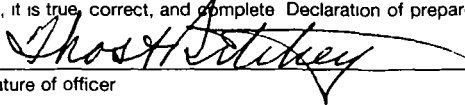
Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
94	Membership dues provide the opportunity for members and others to perpetuate and enhance the bail insurance industry through meetings, seminars, communications, publications and other programs.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)**(a)** Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☐ No**(b)** Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☐ No**Note:** If "Yes" to **(b)**, file Form 8870 and Form 4720 (see instructions).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here		Date	3/7/06
	Signature of officer		
	Thomas F Ritchey, Treasurer		
	Type or print name and title		

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. W)
	Firm's name (or yours if self-employed), address, and ZIP + 4	EIN	Phone no.	

AMERICAN BAIL COALITION

25-1881655

FORM 990
FYE 12/31/05

PART IV, LINE 55 – Land, Buildings and Equipment & PART II, LINE 42 – Depreciation:

Description:	Used Office Equipment
Cost:	\$2,906
Date Acquired:	4/01
Life:	5 years
Method:	St.Line
Depreciation:	\$ 727
Accumulated Depr:	\$2,906

PART V – List of Officers, Directors, Trustees and Key Employees:

<u>Name & Address</u>	<u>Title and Avg Hrs/Wk</u>	<u>Compensation</u>	<u>Contributions to Benefits</u>	<u>Expense Account</u>
Jerry W Watson Int'l Fidelity Ins Co Calabasas, CA 91372	General Counsel As Needed	-0-	-0-	-0-
Brian N Nairin Assoc. Bond & Ins Agency Calabasas, CA 91372	Vice Chairman As Needed	-0-	-0-	-0-
Thomas F Ritchey Allegheny Casualty Co Meadville, PA 16335	Secretary/Treasurer As Needed	-0-	-0-	-0-
William Carmichael American Surety Indianapolis, IN 46268	Chairman As Needed	-0-	-0-	-0-
Jack Whitlock Underwriters Surety Indianapolis, IN 46268	Board Member As Needed	-0-	-0-	-0-
Norman Konvitz Int'l Fidelity Ins Co Newark, NJ 07102	Board Member As Needed	-0-	-0-	-0-
Dennis Bartlett American Bail Coalition Washington, DC 20036	Executive Director 40 hrs/wk	104,000	-0-	4,922
		104,000		4,922